



State of Utah

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Insurance Department

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Insurance Fraud in Utah

We are coming to the end of Insurance Fraud Awareness Month. Utah Insurance Commissioner, Todd E. Kiser would like all Utah residents to know that the Insurance Department has a Fraud Division with a mission to actively investigate and prosecute insurance fraud and seek restitution for victims.

Most Utah residents are adversely affected by insurance fraud in some way. Studies show that families pay more than \$1,000 annually in increased insurance premiums due to insurance fraud, which is now the second most costly financial crime in the United States behind tax evasion. It has an estimated annual loss of more than \$120 billion dollars.

In an effort to stem the rising tide of insurance fraud, the 1995 Utah Legislature passed the Insurance Fraud Act. This allowed the establishment of an Insurance Fraud Division within the State Insurance Department. The Division is authorized to investigate insurance fraud wherever it is found; within an insurance agency, at the doctor's office, in the glass shop, or resulting from the fraudulent acts of Utah residents.

During the period of July 1, 2013 to June 30, 2014, the Fraud Division received 787 fraud complaints, or referrals. Some referrals reported insurance claims where: losses and damages were inflated or non-existent; insurance applications were falsified; billings for healthcare services were not provided or services were unnecessary; and agents kept the premiums of their clients and stole their personal information for their own use.

To a great degree, the success of the Fraud Division comes from their collaborative work with insurance company special investigative units, local and federal law enforcement, and the National Insurance Crime Bureau.

An example of this collaborative effort can be seen in this years shut down of two major accident rings in Summit and Utah Counties. One of these accident rings alone involved a dozen co-conspirators, 25 different vehicles, at least 65 false auto accident claims exceeding \$200,000 in value, of which more than \$100,000 was paid out by more than 15 different insurance companies.

In another case a psychologist was indicted for 18 counts of health care fraud and 16 counts of mail fraud. His scheme caused federal and private benefit programs to pay more than \$1.3 million for services not provided to patients.

Included in this effort was the retrieval of \$395,907 for some of the victims of insurance fraud. It should be noted that many victims of insurance fraud receive no restitution or reimbursement for their losses. Insurance fraud affects us all. Insurance consumers pay the bill for insurance fraud.

To push back against insurance fraud we must all be willing to report it as soon as it is discovered. To report insurance fraud contact the Utah Insurance Fraud Division at 801-531-5380 or the Utah Insurance Department at 801-538-3890 or at <https://insurance.utah.gov/complaint/index.php>.

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The Utah Insurance Department is a State agency. Its mandate is to regulate insurance marketed and sold in Utah. Currently more than 95,000 agents, agencies, and insurers are licensed; domestic insurers are audited to verify financial stability and compliance with insurance laws; administrative action is taken against licensees found to be in violation of insurance laws; calls from consumers with questions or complaints are taken; and licensees and consumers are educated regarding insurance. For more information visit <http://www.insurance.utah.gov/> or call toll free in-state @ 1-800-439-3805 or locally @ 801-538-3077.